



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

October 11, 2010

Charles "Mick" Friedel
President
Southeast Iowa Building & Construction Trades Council
16452 Hwy 34
West Burlington, IA 52655

Dear Mr. Friedel:

I am asking that you consider opening a temporary satellite office in the southeast Iowa region to serve as a labor hall for construction of the Iowa State Prison in Fort Madison. My request stems from my concern about the unemployment rates in Southeast Iowa which are among the highest in our state. The anxieties of many in the construction and building trades about being a part of this particular project are understandable. Adding to this uneasiness is the fact that Fort Madison is located close to areas of Illinois and Missouri where similar levels of unemployment exist. Needless to say, there will be competition for the 300-500 opportunities that this project represents—which makes the preferred labor rules that I have directed state agencies to enforce all the more important. We must ensure that Iowa workers will receive preference in hiring whenever possible. As a result of our Project Labor Agreement (PLA) policy and Iowa law, it is clear that most of the jobs at the ISP construction project will be filled by Iowans. Nevertheless, some recent allegations have been made to the effect that Iowans will be bumped out of contention for these good paying jobs by out-of-state contenders being hired in far-away union hiring halls.

While I believe that these allegations are based more on fear than on reality, I nonetheless want to take every reasonable step to ensure that Iowa workers who seek employment opportunities at the ISP project are not unduly inconvenienced by hiring practices. Although it is well known to those who work in the industry that the use of a hiring hall in an out-of-state location (for example, a Rock Island office) does not mean Iowans won't be the majority referred, I respectfully ask that members of your organization consider taking steps to enhance the system which has already been putting Iowans and local residents to work on the ISP project.

I understand that the small number of unions that are on the Illinois side of this region have Iowa members, and that they routinely handle job referrals for Eastern Iowa. Most of these unions historically have worked out accommodations to facilitate dispatch of workers to sites that are some distance from the local union's central office and to



promote the employment of a local workforce. For example, though it is a local that extends to the Chicago region, Operating Engineers Local 150 operates a satellite office in Burlington.

I ask that this kind of accommodation be broadened and that the SEIBCTC now establish a temporary local office within a reasonable distance from the ISP construction project that can assist with job referrals for these few out-of-state hiring halls until the work is completed. Such a temporary office could expedite the hiring process in several important ways. It could serve as a convenient clearing house to assist local workers available for work on the project without requiring them to travel a greater distance. Just as important, such an office would be a tangible display of the SEIBCTC's already-established commitment to ensure that projects funded by public funds are used to put lowans to work -- a goal shared by all of those who negotiated the State of Iowa's first PLA.

As you know, pursuant to Executive Order 22, Iowa's state agencies are required to consider, for larger construction projects, whether PLAs should be used. We appreciate the hard work that you and others at the Southeast Iowa Building and Construction Trades Council (SEIBCTC) devoted to the negotiations that successfully resulted in the first PLA under this Executive Order which was incorporated into the bid specifications for the construction of a new Iowa State Penitentiary (ISP) in Fort Madison.

I am confident that the use of a PLA for the new ISP will result in a construction project that will be completed on time, on budget, by skilled workers earning a living wage, who will perform their services in accordance with all applicable safety regulations.

The Iowa Supreme Court has ruled that PLAs are legal and do not violate Iowa's right-to-work and other labor laws. Further, the hiring procedures used under a PLA can be entirely consistent with the labor preference laws set forth under Iowa Code Chapter 73. I would sincerely appreciate your careful consideration of this proposal. I, in turn, pledge to do everything within my authority to ensure that as many lowans as possible are a direct part of a project that will give a tremendous economic boost to Southeast Iowa.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver", with a stylized, flowing script.

Chester J. Culver
Governor of Iowa